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C O N F I D E N T I A L SECTION 01 OF 03 ASUNCION 000178

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SUBJECT: BLANCA OVELAR'S VISION FOR PARAGUAY

REF: A. ASUNCION 00099

[1](#)B. ASUNCION 00106

[1](#)C. ASUNCION 00135

Classified By: DCM Michael J. Fitzpatrick; Reasons: 1.4 (B&D).

[1](#)1. (C) SUMMARY: Colorado Party standard-bearer told Ambassador March 18 she will seek to broaden and deepen relations with the United States should she win Paraguay's April 20 presidential elections. She spoke of the need to reform the state, fight corruption, increase citizen participation in governmental decision-making and placed an emphasis on health and educational reforms. Ovelar expressed strong support for Millenium Challenge programs (past and future) in Paraguay. Eager to learn about police and security matters, she was grateful for US assistance. Ovelar made clear she did not believe (her own party's) accusations of inappropriate partisan activities by the Embassy. Even as she predicted she will win the election, Ovelar recognized that the Electoral Tribunal's authority is at an all-time low -- and conceded she feared a narrow victory that might lack legitimacy in the eyes of many. END SUMMARY.

[1](#)2. (C) Colorado Party presidential candidate Blanca Ovelar accepted Ambassador's invitation to coffee at his residence late the afternoon of March 18. Ovelar was accompanied only by her sister, Nancy Ovelar de Gorostiaga, an informal political advisor reportedly involved in strategic communications for the campaign (and watching her sister's back). DCM also attended the relaxed hour-long conversation, which provided an opportunity to brief the candidate in depth on the breadth of U.S. programs and activities in-country, as well as to hear of her priorities and concerns. This was the fourth and last such meeting with each of the top four contenders for the April 20 presidential elections (see also reftels). Thus far, none of the candidates has publicly mentioned these private chats with the U.S. Ambassador.

[1](#)3. (C) After complimenting the Ambassador on his Guarani language abilities, Ovelar entered into an extended discussion as to how Paraguay's unique culture (the only truly bilingual country in the hemisphere, based on a nomadic tribe that welcomed the Spanish) and history (two destructive wars that laid waste to much of the population, reinforced submission to strongman rule and have limited outside contacts) have shaped its current political culture. She stressed that the state must be modernized, corruption reduced and civic participation in governance increased. Stating that she had grown up during an era of political oppression (she did not mention that her father had been imprisoned and tortured for his Socialist opposition to Stroessner's rule), Ovelar stated flatly, "We will never go back to dictatorship. Never."

[1](#)4. (C) REORGANIZE THE STATE: Ovelar repeatedly suggested that the traditional methods of governance here will no longer work. President Duarte trebled the education budget in the past five years, she asserted, only to underscore that the resulting "outputs" have not improved. That suggests, she said, that the system is broken. (NOTE: Duarte, who previously served as Education Minister, appointed Ovelar as Education Minister in 2003; she resigned in late 2007 to run for President. END NOTE.) She suggested, for example, that

teachers ought not to be able to retire with a pension as early as age 40. She stated that the Education Ministry was the only ministry now with a long-term vision and strategy.

15. (C) COMBAT CORRUPTION: Having recently received a lengthy brief from Minister Walde on the Millenium Threshold Program, Ovelar stressed her desire to reduce corruption. Ambassador told her the next government-in-waiting would have until July 31 to submit a proposal for Threshold Phase Two (to begin in late 2008). Ovelar stated she had very much appreciated the Threshold Program's activities while she had been Education Minister; strongly supports a second phase; and, clearly understood that reducing corruption remains the key stumbling block to Paraguay's ever qualifying for a Millenium Compact -- something which she stated she very much would strive to accomplish as President.

16. (C) EDUCATION AND HEALTH: Ovelar stressed that public health and education would necessarily be high priorities for her government. She emphasized the need for decentralization and direct community involvement in governmental programs at the local level, not only as a brake on corruption but to improve efficiencies and relevance. Ovelar was pleased to hear of the Embassy programs, in partnership with the National Cancer Coalition, to improve women's health, in particular to combat women's cancers. She says she is planning to have a fleet of mobile health clinics, deployed in coordination with an improved social communications program, in the countryside. Noting that the whole country's medical records could be kept "on a laptop," she outlined plans for ongoing programs of health education, early screening and followup activities designed to attend to -- and prevent -- the most basic of health needs nationwide (vaccinations, PAP screens, etc.).

17. (C) GOVERNANCE: Ovelar agreed that the next Congress will undoubtedly be "Balkanized," including new parties and factions not present now. Asked how she would handle relations with such an unruly crowd, Ovelar stated she would seek early agreement on national priorities that all could agree on. "We will put it all on the table, without hidden agendas" and seek consensus on major initiatives. She noted that President Duarte obtained good success with this approach initially after his 2003 inauguration. Asked if many of the current ministers of government would stay on in her government, she said "some might," but that she clearly was considering a number of changes. She readily accepted the Ambassador's offer (should she win) to send several ministers in waiting to the United States this summer on IVP's to study issues of importance to her government.

18. (C) MILITARY/POLICE: Ovelar suggested the Interior Ministry was in need of serious reform in order to get a handle on rising crime and insecurity. She agreed that the government needed to have a national security strategy before it could convince Congress to adequately fund the military. She identified defense of sovereignty, protection of legitimately elected democratic leaders, international peacekeeping and assistance with provision of social services as priorities for the armed services. Ambassador briefed her on two high priority programs with the military: training and equipping the DCEI as the military's first and only joint unit capable of responding anywhere in the country to a security emergency, and equipping Paraguay's peace-keeping unit so that they will soon be able to deploy abroad under Paraguay's own flag (and not embedded within another unit) as part of UN peacekeeping operations. Ovelar was extremely pleased with both programs. The Ambassador noted that we would offer the next President VIP protection training for his or her personal security detail (as we did for President Duarte and Vice President Castiglioni). Asked if she was satisfied with her current security, Ovelar practically jumped up to say "No" and to accept the offer of U.S. training assistance for a new security team (NOTE: one presumably selected by, and beholden to, her. END NOTE).

9.(C) U.S. RELATIONS: Asked if there were any particular issues she wished the USG would do differently vis-a-vis

Paraguay, Ovelar said "no -- except perhaps engage even more." She agreed that bilateral relations have historically been good, if somewhat distant. Ovelar stated she wished to increase bilateral ties with the U.S.: commercial (expanding the range and amounts of products to the U.S.), diplomatic (beefing up the US Desk at the Foreign Ministry), cultural (university exchanges, etc.). She positively beamed to hear of the Embassy's program for English language instruction for 500 of Paraguay's best performing, yet poorest, high school students. She recognized that English language skills are essential for employment in a competitive global marketplace, including for expanding the use of the Internet (which she said should also be a government priority).

¶10. (C) DOMESTIC POLITICS: Ambassador was explicit and direct in assuring Ovelar that the United States did not have a favored candidate in Paraguay, neither in her just-concluded primary battle with Luis Castiglioni nor in the upcoming general elections. Reiterating the line he was quoted using in that morning's papers, "we don't have a dog in that fight." Ambassador stressed that was why the Embassy had been steadfastly refusing all contacts between the Ambassador and all of the pre-candidates for much of the past year. Our only concern is that the process be fair -- and seen as such. Visibly relaxed, Ovelar assured the Ambassador she appreciated receiving the same message last fall from the Political Chief and DCM. Ovelar said she "prayed to God" that she will win by a clear and convincing margin, but that she expects the outcome will be close indeed. Public confidence in the Electoral Tribunal is minimal; how the parties respond during the first 24 hours after the polls close will be critical in setting the stage for much of the next Administration's success (or failure).

¶11. (C) ANTI-US ACCUSATIONS: Ambassador noted that we understood that certain individuals had been apparently spreading false information about USG activities in Paraguay, allegedly on behalf of Castiglioni's electoral campaign. After detailing, and knocking down, a few of the false charges himself, Ambassador stated that a cashiered police officer -- and now head of Intelligence for the Interior Ministry -- appeared to behind many of the accusations. The candidate finished the Ambassador's sentence by suggesting that such information had been "peddled to the Presidency." Ambassador noted that though we cannot be sure of his motives, ex-Comisario Aristides Cabral had been identified publicly several years running in our Human Rights Report (and INCSR) as a narcotics trafficker. At the mention of Cabral's narco-ties, the Ovelar sisters exchanged "Eureka" glances, as if pieces of a puzzle had just fallen into place for them.

¶12. (C) COMMENT: Ovelar was relaxed and confident throughout, despite non-stop 18-hour days on the campaign trail. While she did not seek to "drill down" in any specific areas (other than perhaps education and health) during this initial meeting, she presented herself as competent and in command of her brief. She referred to President Duarte -- her mentor and the man responsible for her candidacy -- only once in the entire meeting. It is also of note that Ovelar came with a family member, and not with a member of the Colorado Party leadership formally responsible for her campaign. (She has been roundly criticized, even within the Colorado Party, for being "a puppet" -- or "a hostage" -- to President Duarte and Senator Galaverna.) Ovelar projected a calm and engaged presence, as interested in learning more of U.S. activities as she was in reassuring us of her desires for strong relations and support should she win the elections -- which, she assured the Ambassador, she would do. END COMMENT.

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